

HOUSE BILL 925  
By Fraley

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 5, Part 7, relative to property taxes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 5, Part 7, is amended by adding a new section thereto, as follows:

Section 67-5-705. (a)(1) There shall be paid from the general funds of the state to certain taxpayers sixty-five (65) years of age or older the amount necessary to pay or reimburse such taxpayers for all or part of the local property taxes paid for a given year on that property which the taxpayer owned and used as the taxpayer's residence as provided in this part.

(2) Such reimbursement shall be paid on the first eighty thousand dollars (\$80,000) of the full market value of such property.

(3) In determining the amount of relief to a taxpayer, the effective assessed value on the first eighty thousand dollars (\$80,000) of full market value shall be multiplied by a tax rate which has been adjusted to reflect the relationship between appraised value and market value in that jurisdiction, as determined by the state board of equalization.

(4) The effective assessed value shall be determined by multiplying the full market value of the property up to eighty thousand dollars (\$80,000) by fifty percent (50%).

(5) The full market value of the property shall be determined by adjusting the appraised value of the property as shown on the records of the assessor property by a factor which

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reflects the relationship between appraised value and market value in that jurisdiction, as determined by the state board of equalization.

(b) If the property is owned jointly, the provisions of this section shall apply if one (1) of the owners is sixty-five (65) years or older.

(c) Taxpayers who are sixty-five (65) years old on or before December 31 of the year for which application is made for property tax relief and are otherwise eligible shall be qualified for the tax relief provided by this section.

SECTION 2. Tennessee Code Annotated, Section 67-5-701(a), is amended by deleting the language “§§ 67-5-702 - 67-5-704” and by substituting instead the language “§§ 67-5-702 - 67-5-705”.

SECTION 3. Tennessee Code Annotated, Section 67-5-701(d)(1), is amended by deleting the language “§§ 67-5-702 - 67-5-704” and by substituting instead the language “§§ 67-5-702 - 67-5-705”.

SECTION 4. Tennessee Code Annotated, Section 67-5-701(h), is amended by deleting the language “§ 67-5-702 or § 67-5-703” and by substituting instead the language “§ 67-5-702, §67-5-703, or § 67-5-705”.

SECTION 5. Tennessee Code Annotated, Section 67-5-701(i), is amended by deleting the language “§§ 67-5-702 - 67-5-704” and by substituting instead the language “§§ 67-5-702 - 67-5-705”.

SECTION 6. Tennessee Code Annotated, Section 67-5-701, is amended by deleting subsection (j) in its entirety and by substituting instead the following:

(j)(1) The legislative bodies of counties, municipalities and metropolitan forms of government may, by act of the local legislative body, provide for the appropriation of funds for tax relief for elderly low-income homeowners as described in § 67-5-702, for disabled homeowners as described in § 67-5-703, for disabled veterans as described in § 67-5-704, and for elderly homeowners as described in § 67-5-705; provided, that in no event shall the total

relief allowed by the state and counties, municipalities or metropolitan forms of government exceed the total taxes actually paid.

(2) The ordinance authorized by subdivision (j)(1) shall include provisions that only those taxpayers who qualify under §§ 67-5-702 - 67-5-705 are eligible for such additional tax relief, and that the eligible taxpayers shall have previously applied for and obtained the relief authorized by § 67-5-702, § 67-5-703, § 67-5-704 or § 67-5-705.

(3) This subsection only applies to any county having a metropolitan form of government.

SECTION 7. This act shall take effect July 1, 1997, the public welfare requiring it and shall apply to the 1997 tax year.